



**“CONSTANTIN BRANCUSI” UNIVERSITY OF TARGU JIU
FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION**

**PROCEEDINGS OF THE INTERNATIONAL
SCIENTIFIC CONFERENCE**

Eco-Trend 2014

XIth Edition



**House Publisher Academica Brâncuși
ISSN 2248 - 0889, ISSN-L 2248 - 0889**

**November 28-29, 2014
Târgu Jiu, România**

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SELECTION OF THE HUMAN RESOURCES AS FACTORS IN ACHIEVING ECONOMIC RESULTS IN THE PROCESS OF MANAGEMENT

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Abstract: *To achieve the economic performance of companies despite the successful selection, the evaluation is important also for the success of the work of managers or managers in various forms of business organizations, especially if it is for profit sector. Therefore it is necessary to conduct research on how successful as organizers and leaders of the working process, both through research their personal characteristics and by assessing their organizational abilities and skills by their colleagues (employees who are hierarchically sort of managers in the organization).*

Key-words: business organization, management, human resources, economic results.

HUMAN RESOURCES MANAGEMENT

Management of human resources or managing with human resources, as it is called in the domestic professional practice, is not only a recognized discipline, but also important working and managing function in the organization.

The selection of human resources and evaluation of the work of managers are important activities in the management of human resources in various forms of business organizations. The main goal of the selection process is adequate choice of individuals on the basis of analysis of their characteristics, because that way you can predict how successfully they perform the work and whether they will be more successful than the other candidates for the respective job.

According to Mathis and Jackson the term "human resources management" refers to the design and implementation of formal systems in an organization to ensure effective and efficient use of human talent to meet organizational goals¹. Hence this system includes taking actions that are aimed at attracting, developing and retaining effective workforce. The goal of human resource management is to ensure that the resources in the organization, human capital, the employer has provided most of their abilities, while employees gain a material and psychological satisfaction for their work. Managers in various forms of business organizations are increasingly concerned about the employment of skilled and qualified staff and the possibilities of retaining quality workers. In this regard the active cooperation not only refers to the knowledge of the people, professional techniques, methods and procedures, or technology of human capital and general human aspects of the operation, but the knowledge of economic, financial, technological, competitive and other aspects of actions, and successfully linking activities and programs for human resources with business needs and

¹Robert L. Mathis and John H. Jackson, Human Resource Management: Essential Perspectives, 2nd ed., Cincinnati, OH: South-Western Publishing, 2002

objectives of a particular form of business organization². Also, this cooperation requires understanding and appreciation of the human dimension of business problems and the importance of specific expert knowledge, as well as methods for their successful resolution. In fact, employees in such organizational structures are the main source of competitive advantage on the one hand, and human resources management plays an essential role in finding and developing people as a vital resource material which directly affect achieving the economic results.

365/360 US RULE METHODOLOGY

For most commercial loans interest is calculated using a daily rate based on a 360 day year. The daily rate is calculated by dividing the nominal annual rate by 360 days. The interest calculation for each month using the daily interest rate is a two-step process. The first step is to multiply the outstanding principal balance at the beginning of the month by the daily rate to determine the interest due for one day. The second step is to multiply the amount of interest due for one day by the actual numbers of days in the monthly pay period, such as 31, 30, 28, or in a leap year, 29.

The monthly payment for the “365/360 US Rule Methodology” is calculated the same way as calculated for the “Monthly Payment Methodology”. The amortization process is the same for the “365/360 US Rule Methodology” as it is for the “Monthly Rate Methodology” except the interest is calculated using a daily rate instead of the monthly rate. This daily rate calculation of interest results in a greater amount of interest being charged which results in an effective interest rate greater than the nominal interest rate.

Using the “365/360 US Rule Methodology” interest is earned for 365 days even though the daily rate was calculated using 360 days. Using the “Monthly Payment Methodology” interest is earned on 12 thirty day months or in effect 360 days. Using the daily interest and the “365/360” method results in more interest being charged for the seven 31 day months which means in these months less principal is amortized. During each February less interest is payable, either 28 or 29 times the daily interest rate. This lesser principal reduction each month other than February results in an outstanding principal balance remaining at the end of the amortization period. An alternative method of amortization quite often used when applying the “365/360 US Rule Methodology” to calculate interest is to recalculate the monthly payment using the effective interest rate instead of the nominal rate. This results in a higher periodic payment which fully satisfies the loan balance by the end of the amortization period.³

FOCUS ON THE STRATEGIC MANAGEMENT OF HUMAN RESOURCES

Today, as a result of the growing awareness of the strategic importance of human resource management has led to the creation of the human capital, which actually reflects the commitment of the company to employees. Human capital refers to the economic value of the combined knowledge, experience, skills and abilities of employees. The term human capital investment expresses the organization in attracting, motivating and maintaining an effective workforce. Human capital is a tangible indicator of the value of the people who make up the organization.

² Ibid., page 33

³ Ward Center for Real Estate Studies, Real Property Strategies, LLC, 2012, For more details see: see www.ccim.com, page 10

Administratively speaking, human resources management is the managing of personal. Any decision taken by the manager whether it is a management company or the management of human resources is a strategic, since it needs to maximize existing resources of the company, but taking action to provide a way that would have the lowest risk, and thus bring maximum profit organization. The philosophy of transferred and delegated powers requires respect for the essential characteristics as essential and very important in the business world: confidence, decentralization, distribution of information and knowledge, education, skills and abilities, clear roles and responsibilities clear, and finally freedom in functional operation. Strategic Management of Human Resources is structured by three main objectives, namely:

- to draw effective workforce
- to develop the total potential of the workforce and
- to retain qualified staff for extended periods.

On the one hand the strategic planning of the company includes a set of activities aimed at making decisions about long-term goals and strategies of the company, i.e. for how the future will survive the enterprise market in terms of the economic situation, competition and so on. On the other hand, human resource planning is a process of moving people in and out of an organization, and there are designed to help human resources managers to deploy its human resources as efficiently as possible, where necessary and at the time when most needed is for the sole purpose to achieve the strategic goals of the business organization. So the managers of human resources required to find, recruit, and train, to support and retain the best workers work because they are the main tool for reaching a positive result from the operation of the organization.

Hence, the training of human resources is a systematic process of enriching the knowledge, skills and guidelines in order to perfect their work performance of obligations, the structural department and organization. The evaluation of the completed tasks is actually a process of evaluation of how effectively people doing their job. The purpose of the assessment is to provide feedback on each individual separately, as do the work that is assigned to provide the basis for upgrading of those who most successfully accomplish set goals, to identify areas that require additional training and training and identify problems that may require changes in work tasks. The successful management of human resources is essential professional development of managers through training and motivation.

THE PROCESS OF QUALITY SELECTION

The process of selection and recruitment begins when an institution needs to fill vacant jobs that are provided in its regulations for internal organization and systematization. The outcome of this process is that from the interested applicants to hire one / one who is the best and which meets the requirements for the job. This is a fundamental principle of the laws which provide equal opportunities. To ensure transparent and fair competition during this process, it is good to have written guidelines for the selection and employment of an easy and simple way would be put into practice effective and visible. It is undisputed that the guidelines should be based on the principle of selecting the best candidate according to the criteria of professionalism and competence. Guidelines should be a handy tool for all who have been involved or depend on the process of selection and recruitment. Working environments and organizational cultures differ, hence each institution or organization should adopt guidelines that meet their unique needs.

In 1988, The American Society of personnel Administrators published in the monthly magazine "Resource" that 84% of the members use testing in their selection decision⁴. Assumptions for quality selection process of human resources:

- Good analysis of the work, which determines the tasks and responsibilities workplace, requires the executor
- Identify key areas of success and the standards or criteria for organizational success
- Selection of quality indicators for assessing the performance of the candidates in their work.
- High accuracy in forecasts of indicators

PHASES OF SELECTION

Required qualities of the candidates should have to reflect the requirements of the job and the environment and the environment in which the organization operates. Regarding stages (steps) in the process of selection of human resources are relatively divergent views among eminent authors in this field, both in terms of numbers and in terms of the content of individual phases.

- In the **first phase**- Analysis and documentation of the application requirement to fill the jobs, analyze the resulting documentation for each candidate, CV, application for a job and the like. Based on this initial selection is made or eliminate a number of candidates who do not meet the criteria for the job.

- The **second phase** - Acceptance of selected candidates, are possible multiple scenarios: preliminary interview or test each candidate individually or organizing preliminary interview all candidates with the selection committee.

- In the **third phase**, with all candidates are taken etc. diagnostic interview. It is a detailed conversation with candidates with which determines professional and other characteristics of the candidates and their compliance with the requirements of the work and culture of the organization.

- The **fourth phase** refers to verification of references. It provides information that allows reconstruction of the career of each candidate: jobs and the organizations in which the candidate has worked before, absenteeism and the reasons for it, the moral characteristics of the candidate, etc.⁵

It now needs to be emphasized that there is no universal process and methods of selection applied in any company, but each business entity depending on their needs and opportunities, the selection process will be conducted in a more or less stages by applying more or less methods of selection. In Macedonian business reality, when a job has a greater number of candidates, reputable companies often implemented initial selection using appropriate methods.

THE MATCHING MODEL OF HRM (HUMAN RESOURCE MANAGEMENT)

One of the first explicit statements of the HRM concept was made by the Michigan School (Fombrun et al, 1984). They held that HR systems and the organization structure

⁴The American Societs of Personnel Administrators, Resource, 1998

⁵For example, a survey in the US showed that the bureaus, dealing in 1988 suffered damage of 10 billion dollars due to theft of employees. For more details see: Jean Francois Lisee, "La Salarie american est presume coupable", *La Presse, Montreal*, lundi 25 april 1988, page A1

should be managed in a way that is congruent with organizational strategy (hence the name ‘matching model’). They further explained that there is a human resource cycle (an adaptation of which is illustrated in Figure 1.1), which consists of four generic processes or functions that are performed in all organizations. These are:⁶

- selection – matching available human resources to jobs; appraisal (performance management);
- rewards – ‘the reward system is one of the most under-utilized and mishandled managerial tools for driving organizational performance’; it must reward short- as well as long-term achievements, bearing in mind that ‘business must perform in the present to succeed in the future’;
- development – developing high-quality employees.

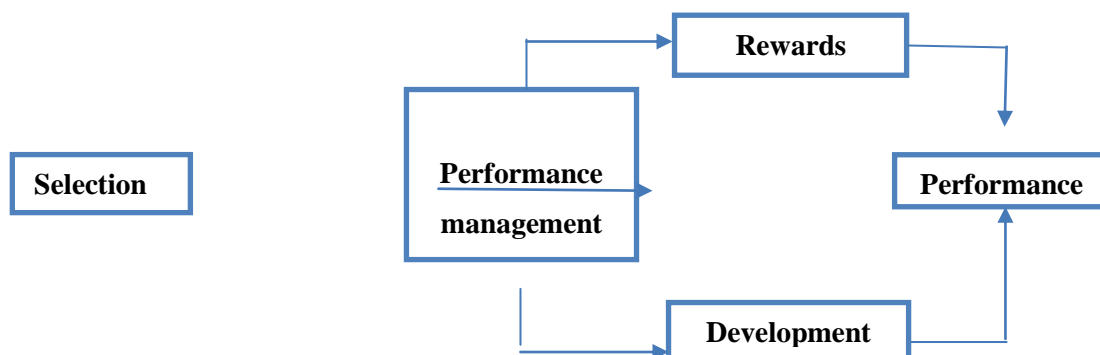


Figure 1.1 The human resource cycle (adapted from Fombrun et al, 1984)

CONCLUSIONS

The effectiveness of the organization depends directly on its staff, particularly management staff. They create a business environment, quality control, place products, manage finances and determine overall strategy and objectives of the company. Quality organization must seek quality people, or real man at the right place. Organizations are effective when managers fail to minimize the quantity of resource inputs (labor, raw materials and component parts) or the time it takes to produce a product or service. In competitive terms organizations continually seek new ways to use their resources to improve performance. Many organizations train their workforce for new skills and techniques they need to work on highly computerized facilities. Similarly, constant training gives employees the skills they need to perform many different tasks, and the organization of employees in new ways, such as in self teams, allows better use of their skills

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⁶ Michael Armstrong, Strategic human resource management : a guide to action 3rd edition, London and Philadelphia, 2012, p. 4

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